

From smart and corporate to urban and edgy: Revitalising organisations in turbulent environments.

1. Introduction

In times of constant shifting change, organisations can become “tired”. Tired in the sense of feeling that nothing is really new; that the organisation has changed so much that it is difficult to focus; and that the messages embedded in the visions are so deeply buried they are difficult to communicate clearly. These organisations are usually operating in an environment which is unstable, turbulent, and difficult to forecast.

However, organisations that identify with this analysis often try to solve difficulties by creating an image, a culture, a type of organisation which is seen as “smart and corporate” i.e. a textbook image of success. Whilst this can be successful, there must also be consideration of an alternative, that of an organisation characterised by diversity, controlled chaos and constant restlessness. This type of organisation can be labelled as “urban and edgy” as an organisation which thrives on change and which does not endeavour to unify the culture, the outlook or the overarching vision.

This new type of organisation succeeds through acceptance, tolerance, respect, and by the creation of a strong sense of belonging. Success in this type of organisation can depend on many variables, but rests on two critical axis - the way in which knowledge is managed throughout the organisation (shared and open) and the particular type of leadership prevalent in that organisation (empowerment and encouragement).

The paper aims to address issues surrounding the revitalising of organisations in turbulent environments. These include definitions of key terms, a discussion of some aspects of epistemology, a brief exploration of the relevant literature; a discussion of leadership issues such as the leader as artist, actor and explorer and an examination of the characteristics of these newly identified “urban and edgy” organisations. The final section of the paper presents empirical evidence of how leaders today are choosing to function in a very uncertain environment, that of the higher education sector.

2. The nature of leadership – defining key terms.

First, it is useful to start with definitions of key terms. The three key terms for this paper are “revitalised (organisations)”; “turbulent (environments)” and “leadership”.

“Revitalised” can be defined as “to give new life and vitality to” whilst the term “turbulent” can be defined as “involving much conflict, disorder or confusion”. (Oxford 2006). Leadership is more difficult to define as it is sometimes problematic to separate it from management. Bryman (2007) interprets leadership as “influencing the goal directed behaviour of others” and Stoner (2000) as “directing and influencing the task related activities of group members”. Both these definitions deal with influencing others and empowering others towards a common goal and are therefore satisfactory definitions for our purposes.

So, within the context of this paper, what we are actually examining is

“the influencing of task related activities of group members in order to give new life and vitality to organisations which operate within conflicting, confusing environments.”

However, in order to assert this influence towards the people, the task and the organisation, a leader needs to have information; information about the state of the environment; information about the position and growth phase of the organisation and information about motivation of the people. What is really needed is therefore not information, but knowledge. Tacit knowledge which is inherent within the mind and explicit knowledge which is set out in papers, reports and so on. Access to quality knowledge is a critical factor in the success of a leader – and in particular for the success of a leader who aims to “give new life and vitality to an organisation in a conflicting environment.”

It is important that a leader has a thorough grounding then, in the origins and ideas of knowledge – i.e. epistemology. Although there is not space in this paper to undertake a comprehensive review of all the relevant theories, it is useful to consider several different viewpoints in order to set the paper into context.

3. Epistemological considerations

Knowledge is important in leadership as accurate knowledge is essential in order to make good quality decisions. Today knowledge as a concept is viewed in many ways, such as procedural, declarative, semantic and episodic knowledge including, as mentioned earlier, tacit and explicit knowledge. Indeed there are so many theories about knowledge that it is perhaps helpful to trace a few early ideas and look at what philosophy can offer in terms of enhancing our understanding.

One of the early ideas about knowledge was created in Greece around 5 BC by a group of Athenian “intelligent sages” who came to be known as “Sophists”. Together, after much thought and discussion they decided that it was impossible to tell if any thing was really true, and thus they developed a particular way of leading one’s life. This was achieved by a consideration that all things should be measured according to man’s needs and wants. Hence the saying “Man is the measure of all things” which was attributed to Protagoras, one of the founding members of the Sophist movement. The Sophist philosophy was based on “training for success” by establishing schools, which trained people how to speak and act in terms of the persuasiveness of the argument that could then be used to best advantage in, for example, the political arena. The criticism of this theory however was that it was not based on positive, sound, established knowledge and can be seen to lack integrity and to some extent honesty – although the Sophist would argue that their epistemology was more honest than most in that they were not alluding to know anything – but freely admitting that they knew nothing (for certain).

Immanuel Kant (1724-1804) approached the theory of knowledge from a different perspective by considering the limitations of what we can truly know. He posited that there are two different kinds of limitations in existence. The first is concerned with the view that “what actually exists makes up total reality” The second limitation concerns the fact that human beings can only know of things which we are able to experience and understand. Kant believed that the most astute way of understanding the world and our knowledge of it - could be discovered through science - in that science was seen as a discipline which could measure, experiment and provide solutions to all things. Yet within this view of science, as humans we are still able to exercise a free will that is difficult to measure and quantify. Kant dealt with this problem by stating that science cannot be applied to all aspects of humans because science cannot reach what he termed the “noumenal world” (the world which science cannot measure). Kant tried to understand that it is not just the empirical world that exists and is governed by scientific laws – but that a non-empirical world also exists in which humans have free will – even if as a race we are not yet capable of fully understanding that world.

Other writers, such as Weber writing in the 1940’s was concerned with legitimate authority. He examined knowledge from a sociological viewpoint and considered the subjective meaning that people attach to actions in different social situations. He then attempted to classify the actions according to a typology that created a knowledge-base of actions associated with emotions. In his work he was aiming to prove that emotions were becoming less important and that rationality based on logic and knowledge were becoming more important in the achievement of goals. This work formed the basis of Weber’s push towards bureaucracies as the most efficient way of organising tasks and thus achieving goal fulfilment. Weber was also viewed as an “idealist” in that ideology should mould the beliefs of society -yet Weber has been criticized for narrowness in his thinking – for being inward rather than outward looking in his views.

How then, does Weber’s controlled bureaucracy sit with Kant’s notion of free will? It is difficult to align these views, yet by their very diversity we are able to note that problems of knowledge, reality and truth are difficult and what is important is that all facets of the epistemological problem are still pursued today. Leaders who are familiar with current and new developments will no doubt enhance their own performance as a leader and in doing so engage the people in the organization, thus helping to change, resurrect and revitalize a failing organization.

Managers need knowledge in order to enhance competitiveness; “organisational learning” and “knowledge” are two of the key characteristics of successful organisations. Bhatt, (2000) considers that although both individual knowledge and organisational knowledge are acknowledged, there tends to be a lack of procedures and cultures that could help to merge both these kinds of knowledge. He suggests that the leaders who operate in organisations which have turbulent environments need skills which would encourage mergers of these kinds of knowledge, e.g. ensuring that knowledge is shared and open; that sources are trustworthy; that people are treated with respect, that ideas are credited to individuals and so on. These skills are concerned with nurturing, fairness and

transparency, but also with a need to instil a culture of openness and trust. The creation and nurturing of trust in an organisation which is constantly in turmoil is a critical issue, and it is vital to achieve this through a leadership centred on empowerment and encouragement.

4. Analysis of the turbulent environment

At the start of the paper we had identified the “tired” organisation and that these types of organisations are usually operating in an environment which is unstable, turbulent, and difficult to forecast. We will now further explore this area by considering the characteristics and solutions of organisations operating within this turbulent environment.

Ideal types of organizational environments were originally conceived by Emery and Trist, (1965). This classic work on types of organizational environments identified those that operate in turbulent fields as being dynamic and leading to an “increase in the organizations area of uncertainty”. They suggested one way forward was to respond by changing the organisations’ structure and creating a kind of “organizational matrix” hierarchy, which is fluid yet stable enough to deal in a reasonably satisfactory way with the turbulence. Terreberry (1968) extended these ideas and considered that whilst organizational change is externally induced, what was (then) seen as important was the need for an organization to have the internal mechanisms to respond in a flexible way.

Cameron, et al (1987) investigated attributes connected with organizational decline and turbulence. The research was carried out in US higher education establishments and the characteristics most notable in those establishments (then operating in an arena of decline and turbulence) were increased conflict; turnover; resistance to change; centralization and the “scapegoating” of the leader. The analysis showed that leaders are affected in their decision making process more by turbulence than by decline whilst other members of the organization were affected (in their decision processes) by decline but not by turbulence. The writers suggested that this was loosely connected to the effects of uncertainty on the different levels of the organization.

Smart and Vertinsky, 1984 suggested that the type of external environment in which the firm operates and the decisions made re strategic choice are ultimately dependant on the costs of introducing change into the organization. For example if the costs are high and the change is already high risk, this would need to be balanced against the costs of maintaining the “status quo”.

Other ideas have included the encouragement of dynamic competence (SubbaNarasimha, 2001) - i.e. the competent production of, and access to, knowledge, in order to improve the performance of the organization; strategies regarding oil companies and strategic

planning in turbulent environments, stressing the importance of adaptativeness and responsiveness (Grant, 2003) and a study on the effects of environmental turbulence on new product development strategy planning, (Calantone, R ,et. al. 2003) concluding that an increase in risk taking (in terms of decision and investments) may help to alleviate the uncertainty inherent in this kind of environment.

Souba (2003) writing about the US health service comments that “the emphasis is now on contracting, marketing, performance indicators and accountability,” and takes issue with the lack of training of leaders who can cope, perform and achieve in that kind of turbulent environment.

In general terms, the literature broadly proposes that a more decentralized, fluid structure works best in changing, dynamic uncertain environments. The implications for leadership appear to be that adaptability i.e. to be able to adjust to new external environmental conditions, and flexibility i.e. the ability to change and adapt internally to different circumstances, at short notice, are critical factors in the success of leading such organizations.

The organizations which are under discussion in this paper are those which operate within an arena of uncertainty, controlled chaos and constant restlessness and we have labelled this type of organisation “urban and edgy” as an organisation which may be “ on the edge” of other major players, and therefore enjoys the complexities of the competition, the constant thrill of change, encourages a diverse outlook, enjoys the danger of high risks and in doing so is able to display many differing visions of the future. However, one of the keys to leading such an organisation is that there needs to be a strong brand image which somehow binds together the disparate influences, makes a strong statement internally and externally and encourages ownership of the values of the organisation.

We have now defined key terms, discussed some aspects of epistemology, and briefly explored the literature regarding organisations and their environments. In the next section of the paper, we will further examine the characteristics of these newly identified “urban and edgy” organisations.

5. Characteristics of “urban and edgy” organisations.

The aim of our paper is to address issues surrounding the revitalising of organisations in turbulent environments and the suggestion is for a new identification of revitalised organisations, distinct from the standard, traditional image of organisational success. Yet what is the traditional image of a successful organisation? Quinn & Rohrbaugh, 1983 identified four major organisational models as follows. First, the “*Team*” a “human relations” model which places emphasis on people and their motivational issues, second, the “*Adhocracy*”, an “open systems” model which emphasised the importance of systems and builds people and processes around those systems and third the “*Firm*” a “rational

goal model” which emphasises planning and sets out a deliberate strategy with plans to follow through. The fourth model is the “*Hierarchy*” an “internal process model” which encourages emphasis on the process and functions of the organisation. All these models have their place, yet the model we are describing here does not seem to have a close fit with any of these structures. These new urban and edgy organisational models thrive on change, celebrate differences although it is difficult to identify a particular model. For example, the evidence gathered for this study was based in higher education institutions which operate as reasonably standard bureaucracies and in doing so manage somehow to be successful.

What then are the specific characteristics of urban and edgy organisations? They are not labelled as such in the literature, yet the brand of “dangerous, maverick, different, unstable” organizations has always been around. So, are we inventing a new label for an existing phenomenon? Yes, to some extent this is true. But what is also true is that all these characteristics have never been as prevalent as today in the 21st century. Organisations are now so competitive externally, so competitive internally for scarce resources and therefore heavily reliant on the ability of leaders to empower others, to organise processes and to manage change. It is rather the reaction and the response which is changing, rather than the problems. As an alternative to opting for a streamlined and controlled approach organisations are choosing an alternative more radical path. It is difficult as yet to fully identify all the variables of these types of organisations but that will be addressed in future papers. For now however we can attempt to define characteristics of those organisations which took part in the study, which were large, established higher education institutions. As with most institutions of this kind there are marked differences between the sub units – the characteristics listed are therefore those of the organisation as a whole. For example, an analysis would include the following. Product is knowledge, organisation is well established; in mature phase of organisational growth; attempts to extend product portfolio but rival competition for new markets; customers as paying clients; poor infrastructure; poor pay; autonomous; not just reacting to changes but planned response; undergoing harsh pruning; difficult to influence external environment; freedom encourages creativity; very bright, intelligent staff, opportunities available; very different product “flavours”.

We noted earlier that urban and edgy organisations succeed through acceptance, tolerance, respect, and by the creation of a strong sense of belonging, of a brand image which is acceptable to all facets of the organisation. We also noted that although performance depends on a variety of factors, success rests on two important issues - the way in which knowledge is managed throughout the organisation (shared and open) and the kind of leadership prevalent in that organisation (empowerment and encouragement). It is the issues connected with this type of leadership which we will consider next.

6. Leadership issues: leader as artist, actor and explorer

For the purposes of this paper we have defined leadership as being about “influencing task related activities of group members” in order to give new life and vitality to

organisations which operate within conflicting, confusing environments.” How might a leader might best function in this type of environment? The suggestions so far have included empowerment and encouragement, but the kind of organisation that operates in this environment requires a leader that has bold imagination, a creative flair and a style which is different and therefore perhaps inherently risky. We can consider leadership in different ways by using metaphors to create images which are different, inspiring, active and positive and which would “fit” the urban and edgy organisation.

The first and probably one of the most common leadership metaphors, is that of the leader as an artist. Leadership can be seen as a creative artist, the art of realising ideas through shared visions. For example the humanitarian and philosopher Albert Schweitzer (1956; 1957; 1960) talks in general terms about improving and bettering lives through openness and sharing. Leadership can be seen as modern art, not traditional, risky, not always easily understood but always having an impact. This metaphor can also be used to view leadership as fitting with the (urban) environmental surroundings e.g. regarding green issues, whether as a bold all embracing organisational statement or in small reflective ways by encouraging staff to be ecologically aware. This vision of leadership is brave and courageous, willing to attempt new strategies and take risks. However, the leader as artist is not always a comfortable position as the leaders as an artist needs to be aware of “client” response and the “client” needs. The leader therefore needs to work to ensure there is appropriate understanding of the work, and this can be achieved by communicating in different ways and through different channels. Indeed, Abnell (1977) suggest that the methods used to train artists should be employed in the preparation of leaders.

The second popular metaphor is that of the leader as an actor, where the organisation forms a stage set, the characters the actors, where the leader is concerned with the preparation for the performance, the performers, the lines, tone, and audience response. Could a leader function as an actor in this uncertain edgy organisational environment? Manghas, 2005 discussed the need for a wholehearted mutual influence to stimulate performance - in that unless all the “cast” are involved the performance will be dull and lacklustre instead of vibrant and lively. Certainly in a turbulent environment there is a need to pull together, yet within these kinds of organisations there is also a strong push towards appreciation of the awareness of individual talents and the need to let people flourish in their own way and with their own ideas. Gronin, 2000, also ascertains that there is some value in the actor metaphor, in that it allows old roles to be discarded and new roles to be taken on in an enthusiastic way. This also encourages both flexibility and adaptability.

The third metaphor approaches leadership from the perspective of an explorer. The leader takes new paths and is open to risk and enjoys travelling different routes. This explorer also plans new journeys in advance, yet leaves some element of flexibility which can lead

to adventure. This can be seen as people focused leadership, almost transformational leadership which can be defined as “articulating a compelling vision for followers” (Bass 1985) and encouraging “followers and providing them with individualised consideration” (Klein and House 1985). In order to have followers the explorer must earn trust. In some ways this is probably the metaphor which best fits the urban and edgy organisation as the leader as explorer is able to simultaneously adapt to new styles, change traditions and explore new territory whilst maintaining a clear sense of direction – that of the spirit of belonging to a group which, together, explores new territory.

Each one of these metaphors has something to offer a leader – not all will sit comfortably. However, individual leaders can perhaps take something that suits their own style of leadership from these ideas. The leader as an artist allows a blank canvas to be painted which primarily requires understanding, the leader as actor encourages flexibility of roles, whilst the leader as explorer emphasises a unified spirit of adventure, and seems to be the most useful metaphor for urban and edgy organisations.

So, to summarise, we have now discussed key terms, explored several epistemological ideas, considered the relevant literature, attempted to chart the characteristics of these newly identified “urban and edgy” organisations and considered the relevance and usefulness of leadership metaphors. The empirical evidence is presented in the next section of the paper.

7. Empirical evidence.

This final section gives a brief insight into leadership of higher education institutions. The changing face of higher education demands that leaders meet considerable challenges at all levels of the organisation, functionally, operationally and strategically. Higher education now operates in a fiercely competitive arena, characterised by such factors as competition for scarce resources, students as clients, student fees, expectations of stakeholders, checks on fitness for purpose and so on. These organisations are operating in very turbulent environments and fit the earlier analysis of the urban and edgy organisations. Locke’s work (2003) identified the tasks of a top leader as being about the vision, the core values, the structure, the selection and training of staff, the motivation of employees, communication, team building and promoting change. These factors are relevant and appropriate and mirror some of the characteristics of both the smart and corporate organisations and the urban and edgy organisations. What seems to be happening, however, is that higher education organisations are becoming significantly more diverse and more restless and are moving towards the classification of “urban and edgy”.

The research was carried out by conversational interviews. A small group of senior leaders from higher education were informally interviewed regarding general thoughts on leadership and leadership styles. This was a micro research pilot project which will be developed on a larger scale in the future. The data was analysed by comparing the key

characteristics of smart and corporate organisations with those of urban and edgy organisations. Using grounded theory, key points from the data were then taken to consider how they best fit each of these characteristics. A decision was made not to attempt to totally fit the data to the exact factors, the table gives a flavour of the kinds of comments made by the leaders. The results are displayed in the following table (Table 1).

| Leadership Characteristics of “Smart & Corporate Organisations” | Leadership Characteristics of “Urban & Edgy Organisations” | Interpretation and Experience of Senior Leaders. |
|--|---|---|
| | | |
| Focused on communication | Focused on creating a sense of belonging | Focus on trust, not managing Give good steer, trust senior colleagues. Want decisions made. Abstractly people do want to agree to changes to concretely they don't. Need to find what motivates people. Many roles are ambiguous and unclear. Need to set clear objectives and then carry them out. |
| Role orientated | Respect orientated | Style is open and affectionate, pragmatic, support and encourage collegiate activity. Other styles tend to keep distance, keep things formal. Only take on jobs that match competencies. |
| Focused on understanding | Focused on acceptance | Having importance of business understanding. Other leaders view that things are black and white. Product of university is knowledge and innovation/ new knowledge. Politically sensitive need to understand people's needs. |
| Focused on style | Focused on tolerance | Listening to people. Emphasis on equality and transparency. Forge as broad a consensus as possible. Don't like formal roles, don't use positional power and give credit where it's due. |
| Focused on training | Focused on gaining ownership of values | Some are natural leaders and display abilities from an early age. Have inherent ability to manage and organise things. Leaders develop the keystone is confidence. Need to choose leaders in a systematic way using assessment centres. Some levels of competency can be trained. Cannot train someone to be a “visionary” but these kinds of leaders are not |

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| | | always necessary – depends where the institution is in terms of growth. |
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Table 1: The experience of leading in urban and edgy organisations.

The characteristics of urban and edgy organisations (e.g. acceptance, tolerance respect creating a strong sense of belonging etc) were all found to be evident in the leader's style in higher education. However, we have identified that this type of leadership rest on two critical axis – they way in which knowledge is managed in the organisation (shared and open) and the overarching style of leadership,(empowerment and encouragement). It can be argued that one cannot exist without the other and it would be interesting to study this aspect in future work.

8. Conclusion

Achrol, 1991 considered that “the environment of the future will be characterized most notably by unprecedented levels of diversity, knowledge richness, and turbulence.” This is now that future and it is important to carefully consider the needs of these organizations in terms of leadership. For some time now there has been a trend for getting people on board by building a common vision, engendering trust, encouraging teamwork and clarity, and these traits have been seen as the true tasks of a leader. Yet different types of leaders are needed in organisations which strive to succeed in theses turbulent times. They need to be “tough yet emphatic” and display qualities which are facilitative, inspirational, energising, passionate, caring and pioneering.

This paper has introduced the idea of a new label for organisations which find themselves to be so full of diversity and differences that they can be characterised as being “on the edge” of danger – yet these organisations have found a way to be something which is separate from a “central city role” that of the urban character – important, flexible, dynamic, fast growing and playing a central role in development of new ideas.

We have considered aspects of philosophy which may be useful for leaders, presented an overview of relevant literature and analysed the important issues of these “urban and edgy” organisations. We have also thought about the relevance of leadership metaphors and found that the leader as “explorer” is likely to be the one most useful in these types of organisations. Higher education institutions were found to fit the major characteristics of urban and edgy organisations. Finally evidence was presented from a group of leaders in higher education as to what their general experience and views of leadership had been and a comparative table was devised which examined certain factors in “smart and corporate” organizations and how they compared to factors in urban and edgy corporations.

This work of course only forms an introduction to the ideas and further work is needed in these areas. The way forward would be to undertake large scale research and to fully

investigate the key characteristics of urban and edgy organisations, across different sectors.

The contribution made to the discipline of leadership is the introduction of a new way of looking at organisations – the work offers new ways of looking at established ideas, through new lenses which may assist leaders and all who work in large organisations. From smart and corporate to urban and edgy, a way of revitalising organisations in turbulent environments could become a helpful model for leaders in the 21st century.

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